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RUEHLGB/AMEMBASSY KIGALI 1513  
RUEHUB/USINT HAVANA  
RUEHMS/AMEMBASSY MUSCAT 0141  
RUEHNR/AMEMBASSY NAIROBI 1473  
RUEHDS/USMISSION USAU ADDIS ABABA  
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SUBJECT: ZANZIBAR'S MAIN ISLAND FACES MAJOR POWER CRISIS

REF: (A) 08 Dar es Salaam 839 (B) 08 Dar es Salaam 444 and previous

¶1. SUMMARY: On December 9 there was a melt-down of the power cable terminus connecting the main Zanzibar island of Unguja with Tanzania's national power grid. The broken cable supplies almost all the power used by the island, resulting in near total failure of electricity for the entire island, which holds about 65 percent of the archipelago's population. Repairs are underway, but the crisis could stretch on for a few more weeks, causing havoc to the islands water supply and economic life. END SUMMARY.

#### BACKGROUND

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¶2. The Zanzibar archipelago gets 70 percent of its electric power needs from mainland Tanzania through a submarine cable, and the rest (mostly the island of Pemba) is thermally generated. Between 70 and 75 percent of the electricity generated is domestically used while less than 20 percent goes to industry. Fuel wood, charcoal and kerosene are widely used as sources of energy for cooking and lighting for most rural and urban areas.

¶3. Zanzibar's main island (called "Unguja") is connected to Tanzania's National Grid through submarine cable (132kV) from Ras-Kiromoni on Tanzanian Mainland to Ras-Fumba Zanzibar. The cable was completed in 1980. According to the cable manufacturer, the expected life of the cable is about 30 years. However, since its first commissioning, the cable had been working efficiently until it experienced a catastrophic failure on May 21, 2008. During that day, the termination point of a group of nodes called "the red phase" had been completely burnt off and left the Island without electricity for the period of nearly a month, until June 19, 2008.

#### CURRENT SITUATION

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¶4. On December 10, 2009, a severe rainstorm caused a problem on Zanzibar's grid that resulted in much of the island going off line throughout the day. However, later there was a melt-down similar to the 2008 incident where the main power cable comes ashore outside of Fumba. This time the "yellow phase" nodes burnt out, causing severe damage on the termination point of the cable. Moreover, the porcelain housing also was completely broken. Within seconds, all of Zanzibar had a total blackout.

¶5. Unlike last year, however, when at least two weeks were spent trying to track down spare parts and existing companies that might be able to work on a system long obsolete and no longer

manufactured, this time experts from the South African firm that eventually fixed the problem in 2008 happened to be on Zanzibar doing routine maintenance. Nonetheless, the South African team still has to go back to South Africa to get equipment and gear.

#### STATE-OF-PLAY

¶16. Over the December 12 weekend, officials were saying Unguja would be without power for about three weeks. Senior managers at ZECO (Zanzibar Electricity Company) unofficially claimed to MCC that one of the three needed spare parts has already arrived in Zanzibar and the others have been located and are expected "any day now." The South African team hired to maintain and now fix the equipment is still working on site at Fumba, and it expects to have things fixed, with a target date of eight working days (i.e. December 22). Target dates are missed with some frequency in this part of the world, however, but the information we are getting is fairly consistent.

¶17. Meanwhile, a team of experts from South Africa is in Zanzibar investigating the cause of the breakdown. In collaboration with the Ministry of Water, Works, Energy and Land and ZECO, the team has also conducted a meeting to discuss the steps to be taken to normalize the situation. Work to replace the damaged part of the cable will depend on availability v1 ud\_Qlz[;wQpossible.

#### ECONOMIC IMPACT

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¶18. The timing couldn't be worse for the tourism-dominated Zanzibar economy, as Christmas/New Year is peak season for the mostly Europeans who travel there. The Zanzibar Tourism Association (ZATI) issued a limp press release to try to stymie the hemorrhage of hotel cancellations. Zanzibar Affairs Officer was on-island December 13 and observed that many stores and restaurants in the main town of Zanzibar were closed down. Many businesses, public entities and the rich have generators. However, it is one thing to run one for a few hours' black-out and it is another to try to budget for a continuous outage that could last for weeks and even months. A few businessmen with whom ZAO spoke said that they would cut their losses now.

¶19. In addition to tourism, economic sectors adversely affected by the power outage are agriculture and small scale businesses. However, the largest wage payer in Zanzibar is government, and the blackout will severely reduced the government's income as tax revenues and financial resources are drained in order to purchase bulk fuel and soak up shortages and closures. The demand for fuel and cold storage has already been noticeable. Most gas stations were only open for a few hours a day and few restaurants serve anything other than tea or coffee. Some fishermen have stopped bringing their catch into market. It is unclear what impact the crisis has on neighboring Pemba, which depends entirely on imported diesel fuel. Of note but no loss to many, the state-controlled newspaper "Zanzibar Leo" shut down its presses for awhile.

#### THE REAL PROBLEM IS WATER

¶10. Under normal circumstances, the existing water supply network (a continuing refurbishment project for Japan) provides almost all urban areas and about half of rural areas access to the water supply network, which runs at about capacity most days. Water comes from bore holes and a limited number of natural springs. In rural areas off the network, water comes from individual wells. Water for the network is pumped into overhead tanks from where the water flows from gravity. There are 74 such pump stations on Unguja.

¶11. The May-June 2008 power outage stretched generator capacity to the limit to provide power to water pumps, health facilities and social services. During the crisis, the GOZ installed 14 generators at key pump stations supplying about half the population for 12 hrs./day. UNICEF in cooperation with DANIDA (Danish Intl Development Agency) later provided 12 back-up power generators to reactivate water pumps out of service since the beginning of the

melt-down. This resulted in about 80% of people having regular access to water by the second week of the crisis.

¶12. Currently, there is a brewing scandal that not all of the generators left by donors in 2008 have been located. Moreover, much of the generator fuel paid for by donors and stockpiled for just such a crisis is missing. A team of the UN's Disaster Assessment and Coordination Mechanism (UNDAC) is on the ground now. The city seems to be being fed with rationed amounts of water, but the situation remains unclear in rural areas. Even middle class people in Stonetown's suburbs have resorted to paying for home delivered buckets of water, costing up to a few dollars a day. In 2000, the annual income per capita was US\$220.

#### LOOKING TOWARD THE FUTURE

¶13. As early as last summer, the Chief Minister confided to ZAO that his biggest worry was another cataclysmic melt-down of the island's sole power source before the MCC project was underway. Because of regular, ongoing increase in power demand, and given the old age and life expectancy of the cable, the Chief Minister has cause for concern. Despite the effort to repair the damaged part of the cable, ZECO told MCC that it is still very much worried similar incidents might occur to finish off the remaining "blue phase" node, which has not experienced a fault since 1980.

¶14. Now more than ever, Zanzibar will depend on MCC's Second Interconnector Submarine Cable project. The solicitation for the submarine cable work was out on the street weeks before this latest problem, and bids are due the first quarter of CY2010. We estimate

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that fabrication will take up to 18 months after contracts are negotiated and signed. Installation comes next, but that is fairly quick in comparison - a few months counting time to ship the material to Zanzibar. The timing is dependent on which firm wins, of course. In comparison, the Norwegian-financed cable project for Zanzibar's second island of Pemba has taken more than two years so far, with cable-laying starting only December 5.

#### COMMENT

¶15. Interestingly, the Minister of Water, Public Works, Energy and Lands (and President Karume's brother-in-law) Mansour Himid's stock of public esteem has actually risen. Unlike during 2008 when the Zanzibari Government was widely criticized for inaction (President Karume was off-island for the duration of the crisis, and local officials were not forthcoming with information), Mansour has been on the radio and TV (including on BBC) from the outset of the current crisis. He has been telling Zanzibaris that this problem will be for the long haul, and locals are responding stoically. However, a few ethnic Indian Stonetown shopkeepers told ZAO that now might be the time they retire and move their assets and families off-island. Idle chat among the cafe class has been about when and where people plan to move their families to avoid the October 2010 election, long expected to be violent absent any political reconciliation. Ethnic Indian shopkeepers, a shrinking minority in Zanzibar, have long bore the brunt of looting and election-related violence, including as recently as the last election in 2005.

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